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世界银行驻华代表处
World Bank Office, Beijing

November 7, 2017

Mr. Chen Shixin
Director General
International Economic
and Financial Cooperation Department
Ministry of Finance
Beijing, China

**China: China Partnership for Market Readiness Project
(PMR Grant Number TF017222)
*Amendment to Grant Agreement***

Dear Mr. Chen,

I refer to the Partnership for Market Readiness Multi-Donor Trust Fund Grant Agreement between the People's Republic of China (the "Recipient") and the International Bank for Reconstruction and Development (the "World Bank"), acting as administrator of the Market Readiness Multi-Donor Trust Fund, dated December 23, 2014 (the "Grant Agreement"), as amended thereof, for the above-mentioned project (the "Project").

I also refer to the letter dated September 19, 2017, from the Department of International Economic and Financial Cooperation, Ministry of Finance, requesting a restructuring of the Project, which requires certain amendments to the Grant Agreement. I am pleased to inform you that the World Bank concurs with the request and proposes to amend the Grant Agreement as follows:

1. Sub-paragraph (b) of Section I.A.1 of Schedule 2 is deleted in its entirety and the remaining sub-paragraph is renumbered, accordingly.
2. A new paragraph 2 is added to Section I.A of Schedule 2 to read as follows:
 - "2. (a) To assist the NDRC with the day-to-day implementation of the Project (including procurement, financial management, accounting, contract management, monitoring and reporting), the Recipient, through NDRC, shall enter into an agreement ("Implementation Agreement") with the NCSC, under terms and conditions acceptable to the World Bank.
 - (b) The Recipient, through NDRC, shall exercise its rights under the Implementation Agreement in such a manner as to protect the interests of the Recipient and the World Bank, and to accomplish the purposes of the

Grant, and except as the World Bank shall otherwise agree, not assign, amend, abrogate or waive the Implementation Agreement or any provision thereof.

- (c) In the case of any inconsistency between the provisions of the Implementation Agreement and the provisions of this Agreement, the provisions of this Agreement shall prevail.”

3. Paragraph 3 of Section II.B of Schedule 2 is deleted in its entirety and replaced by the following:

“3. The Recipient, through **NDRC**, shall, **and shall cause NCSC to**, have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period. The Recipient shall make the audited Financial Statements publicly available in a timely fashion and in a manner acceptable to the World Bank.”

4. A new paragraph 7 is inserted in the Appendix with the following definition of “Implementation Agreement”, and the subsequent paragraphs are renumbered accordingly:

“7. “Implementation Agreement” means the agreement to be entered into between the Recipient, through NDRC, and the NCSC pursuant to Section I.A.2 of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written concurrence of the World Bank, and such term includes all schedules supplemental to said agreement.

5. Renumber paragraph 8 (originally paragraph 7) in the Appendix (“Incremental Operating Costs”) is deleted in its entirety and replaced by the following:

“8. “Incremental Operating Costs” means the Project-related incremental expenses, based on the Annual Work Plans, incurred on account of Project implementation, management, coordination, and monitoring and evaluation, including per diems of short term experts under the Project, salaries of temporary employees in NCSC, travel costs, vehicle and equipment leasing, rent, maintenance and repair, office rent and supplies, communications costs, logistics and translation services, production and reproduction of documents required for Project implementation, but excluding the salaries, salary supplements and other income subsidy of the Recipient’s civil servants.”

6. A new paragraph 10 is inserted in the renumbered Appendix with the following definition of “NCSC”, and the subsequent paragraphs are renumbered accordingly:

“10. “NCSC” means the National Center for Climate Change Strategy and International Cooperation, established on June 11, 2012 and operating pursuant

to certificate No. 110000005326, which shall be responsible for assisting NDRC with the day-to-day implementation of the Project, or any successor thereto.”

7. Renumbered paragraph 14 (originally paragraph 12) in the Appendix (“Project Management Office”) is deleted in its entirety and the remaining items are re-numbered, accordingly.

Except as specifically amended by this amendment letter, all other provisions of the Grant Agreement shall remain in full force and effect.

Please confirm your agreement to the foregoing on behalf of the Recipient by signing and dating the form of confirmation set forth below, and returning one fully countersigned original of this amendment letter to us and retaining one original for your records. This amendment letter shall become effective as of the later date of the Bank’s receipt of: (a) a duly countersigned original of this letter by the authorized representative of the Recipient; and (b) evidence that that the Implementation Agreement has been duly executed on behalf of NDRC and NCSC.

Sincerely,



Bert Hofman
Country Director, China

**CONFIRMED:
PEOPLE’S REPUBLIC OF CHINA**

By: 
Authorized Representative

Name: WANG ZHONGJING

Title: Deputy Director General

Date: November 16, 2017

Cc: Ms. Ye Jiandi, Director
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